

**REAL ESTATE APPRAISERS BOARD MEETING  
MINUTES  
MADISON, WI  
JUNE 27, 2001**

**PRESENT:** Paul "Rick" Vozar, LaMarr Franklin, Patrick Buckett, Mary Reavey

**EXCUSED:** Gary Cuskey, Lill Hauschild

**STAFF PRESENT:** Clete Hansen, Katharine Hildebrand, Grace Schwingel,  
Ruby Jefferson-Moore, Henry Sanders

**GUESTS:** Deborah Conrad, Wisconsin Realtors Association (WRA)

**CALL TO ORDER**

**MOTION:** Rick Vozar called the meeting to order at 9:32 a.m. A quorum of 4 members was present.

**AGENDA**

Katharine Hildebrand noted that there is an addition to the agenda, under item 8. Appraisal Foundation, subsection (b) was amended to read: Bulletin No. 2, 04/01; subsection (d) should be added to separate the Appraiser Qualifications Board from the Board Meeting Summary so that it reads as follows:

"b" Program to Improve USPAP Education, Policy Bulletin No. 2, 4/01

"c. Appraisal Standards Board

ii. Board Meeting Summary of 4/01 ~~and 4/27/01~~

**"d. Appraiser Qualifications Board**

**i. Board meeting Summary of 4/27/01"**

**MOTION:** Patrick Buckett moved, seconded by LaMarr Franklin, to approve the agenda as amended. Motion passed unanimously.

**MINUTES (4/25/01)**

**MOTION:** LaMarr Franklin moved, seconded by Patrick Buckett, to approve the minutes as published. Motion carried unanimously.

**ADMINISTRATIVE REPORT**

**Secretary Oscar Herrera**

Clete Hansen introduced Secretary Oscar Herrera to the Board. Secretary Herrera welcomed the Board members and expressed his appreciation for their dedication and the work that they do in licensing and regulating their profession. Secretary Herrera gave the Board an overview of his background. Secretary Herrera has worked with many boards and councils in the past and is looking forward to working with the Board and assisting them in their work of regulating the real estate appraisers profession in Wisconsin.

**Katharine Hildebrand, Bureau Director**

Clete Hansen introduced Katharine Hildebrand as the new Bureau Director, appointed by Secretary Oscar Herrera, to work with the business boards. Ms. Hildebrand gave the Board members a review of her background, indicating that she came to the Department from the Governor's Office. She served as the Governor's Education Policy Advisor and also served on the Education Team under former Governor Thompson. Ms. Hildebrand asked Board members to contact her with any questions they may have, or if there is any way she can assist them in their duties as Board members. Katharine indicated that, initially, one of her primary goals is to get the Boards and Sections fully staffed with members whose terms are current. Ms. Hildebrand will keep the Board informed on the developments from her meetings with the Governor's Office with regard to reappointments and the filling of vacancies on this and other boards.

Clete Hansen also introduced Grace Schwingel as the new minute taker, temporarily replacing Becky Fry. Mr. Hansen informed the Board that Alfred Hall has been appointed to a position in the Department's Division of Enforcement.

Ms. Hildebrand reported that she has been in contact with staff at the Association of Appraiser Regulatory Officials (AARO) and requested that Board members let her know if there is anyone they would like her to talk to about Board issues. Ms. Hildebrand said that the Board needs to appoint someone as its representative with AARO and she agreed to attend the AARO annual meetings. The next AARO meeting is in Washington, D.C. Ms. Hildebrand will get more information on AARO and report back to the Board at its next meeting in August. The Board stated AARO is geared towards an administrative point of view and may be more useful to Katharine than it would be to a Board member. Ruby Jefferson-Moore, Legal Counsel will check into when the next AARO meeting will be held.

### **Board Roster**

Mary Reavey requested that a former telephone number, (414-276-1135), be removed.

### **2001 Meeting Dates**

Noted.

### **10/01 Regulatory Digest Draft**

The deadline for submitting articles to the Department is August 15, 2001. Several articles and revisions to articles were suggested by Board members, as stated in the To Do List.

### **REA 4/25/01 Meeting To-Do List**

The Board reviewed the To Do-List from the April 25th meeting. Items 1, 2, and 4, relating to the renewal process, property flipping, over evaluation, and temporary registration relating to field review and desk review were not included in the agenda packet, so they should be on the August 22nd agenda. The Board suggested that property flipping and over evaluation be added as standard agenda items for future meetings, so they can be discussed as the need arises. The Board also asked that the status of on-line renewals be added as an item to be discussed at the next Board meeting. Ms. Hildebrand said she would like to have the To-Do List include the name of the person who is to do specific tasks.

### **To-Pass Folder**

The To-Pass Folder was passed around for all Board members to review.

## **LEGISLATIVE ISSUES**

Legal Counsel will look at Ch. 458, Stats., to see if any revisions are needed. Another pending item is remedial legislation dealing with the transitional license. There has been some discussion about increasing the size of the Board. The Board was in favor of increasing the number of professional members. Ms. Hildebrand will discuss with Legal Counsel the statutory requirements concerning the number of professional and public members and the requirements for a quorum if there were to be an increase in the number of members for the Board. Currently, the statutes require at least two professional members and one public member to constitute a quorum of the Board. Legal Counsel noted that specifying the type of Board member required for a quorum can make it more difficult to establish a quorum for a meeting.

The Board mentioned that an ordinance related to "flipping" passed in the Milwaukee Common Council. The Intergovernmental Relations Division is writing legislation that would mandate certification to practice in the state of Wisconsin.

The Board would like the Appraisal Report to require an increase in the time from the last sale to more than one year. Before approving the loan, the level of assessment should be reported.

## **ADMINISTRATIVE RULES**

### **Review of Proposed Rules re: Adoption of the 2001 Edition of USPAP**

Legal Counsel informed the Board that in order to keep up with the many changes being made to the Uniform Standards of Professional Appraisal Practice (USPAP), the Department has looked for electronic versions of USPAP. It was noted, however, that the Department has not been able to locate an electronic version of USPAP that conforms to appropriate legal requirements for rulemaking. The Department received permission from the Attorney General and Revisor of Statutes to reference USPAP in the Department's rules, rather than having to publish the complete text of USPAP.

Legal Counsel noted that this rule relates only to the 2001 edition of USPAP. The Department will need to go through the process annually of updating the rule by revising the reference to the current year's edition of USPAP. A rule must be specific about what law is in effect at a particular time and cannot be based on future laws. The Board needs to approve the draft of this rule before a date for a public hearing can be set. The Department would like to have a notice of this change in the Regulatory Digest to keep members of the profession informed on this issue.

**MOTION:** LaMarr Franklin moved, seconded by Mary Reavey, to approve the change to revise Ch. RL 87, Appendix 1, of the Wis. Admin. Code to put the information from the Note that was attached to the rule into the rule itself. Motion carried unanimously.

Legal Counsel advised that the Board has the right, by statute, to Co-Chair the Rules Public Hearing. It was suggested that the Board schedule the hearing for 9:00 a.m. before the August 22<sup>nd</sup> board meeting and to discuss it at the Board meeting.

### **Review of Proposed Rules re: Revisions to Ch. RL 80 to RL 87, Wis. Admin. Code**

Legal Counsel distributed a revised draft of the proposed rules found on the reverse side of page 20 of the agenda packet. The revised draft moves the information, regarding where USPAP may be obtained, from the Note to the body of the rule. Legal Counsel, Ruby Jefferson-Moore, reviewed proposed revisions to Ch. RL 80 to RL 87. Under the Authority, Intent and Definitions of S.RL80.03, the Board agreed to revise (10r) to read: "Non-federally related transaction," means any real estate related transaction other than a federally related transaction. The Board agreed that s.RL84.01(8) and RL85.02 (7) should be repealed. Under Chapter RL 85, Continuing Education, the Board agreed that s.RL85.02 (8)(d) should be retained.

**MOTION:** LaMarr Franklin moved, seconded by Patrick Buckett, to approve the drafting of revisions to Chapter RL 80 to RL 87 of the Wisconsin Administrative Code, including the changes, as discussed. Motion carried unanimously.

## **BOARD MEMBER ACTIVITY**

None.

## **APPRAISAL FOUNDATION**

### **Future Foundation Projects**

Noted.

### **Program to Improve USPAP Education, Policy Bulletin**

It was noted that this heading should read " . . . Policy Bulletin No. 2, April 2001"

### **Appraisal Standards Board**

Noted.

### **USPAP Q & A – May 2001**

Noted.

### **Board Meeting Summaries of 4/3/01 and 4/27/01**

See revision to this heading under the motion to adopt the agenda.

### **Second Exposure Draft of Proposed Changes to the 2001 USPAP Edition**

The Appraisal Standards Board met on June 12<sup>th</sup> in Denver, CO. Legal Counsel spoke with Jim Parks, Director of Research and Technical Issues, and was told the Standards Board did approve the exposure draft, making some minor edits to the confidentiality provisions in the Ethics section, the definition of confidential information and supplemental standards. Mr. Parks stated that these changes will become effective 7/1/2001. Ms. Jefferson-Moore advised the Board that usually revisions to USPAP take effect in January. Ms. Jefferson-Moore will check on the date for the changes to take effect and will e-mail board members as to the effective date. Jim Parks indicated the Appraisal Standards Board would be sending out a press release to all of the states. Ms. Hildebrand will give the Board a copy of the press release when the Department receives it.

## **ASSOCIATION OF APPRAISER REGULATORY OFFICIALS (AARO)**

### **Resignation of Alfred J. Hall, Jr., from Board of Directors**

Noted.

**Spring Conference Evaluations**

Noted.

**Spring Conference Summary and Follow-Up Documents**

Noted.

**EXAMINATION ISSUES**

None.

**PRACTICE ISSUES**

None.

**MISCELLANEOUS CORRESPONDENCE/INFORMATION**

**Appraiser News Online, May 2001**

Noted.

**FHA Appraiser Registration**

Noted.

**NEW BUSINESS**

None.

**PRESENTATION OF PROPOSED STIPULATIONS BY DIVISION OF  
ENFORCEMENT**

**John D. Walsh (New Richmond)**

Henry Sanders, the complainant's attorney, presented the stipulation to the Board. Patrick Buckett was the case advisor.

**CONVENE TO CLOSED SESSION**

**MOTION:** Patrick Buckett moved, seconded by Mary Reavey, to recess the Open Session and to convene the meeting in Closed Session pursuant to Sections 19.85 (1)(b) and (f), Wis. Stats.: to consider the licensing or discipline of persons licensed by the Board or the investigation of charges against such persons and to consider individual histories or disciplinary data, to discuss the issue of case status reports, case closings, monitoring reports, deliberations on stipulations that may be signed after printing of the agenda, and disciplinary proceedings. Motion carried by a roll call vote: Rick Vozar-yes, LaMarr Franklin-yes; Patrick Buckett-yes; Mary Reavey-yes.

## **CLOSED SESSION**

Closed Session convened at 12:05 p.m.

The Board deliberated on the stipulation involving John D. Walsh, a monitoring report on Thomas Hess, and case summaries presented for closing.

## **RECONVENE INTO OPEN SESSION**

**MOTION:** LaMarr Franklin moved, seconded by Mary Reavey, to reconvene the meeting in Open Session at 1:05 p.m. Motion carried unanimously.

## **VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION**

### **STIPULATION**

**MOTION:** LaMarr Franklin moved, seconded by Mary Reavey, to accept the stipulation relating to John D. Walsh, 00 APP 016, and to accept the final decision and order and stipulation as presented by DOE. Patrick Buckett, case advisor, abstained. Motion carried.

### **CASE CLOSINGS**

**MOTION:** LaMarr Franklin moved, seconded by Patrick Buckett, to accept the Department's findings and close 99 APP 037, for no violation. Rick Vozar, case advisor abstained. Motion carried.

**MOTION:** Patrick Buckett moved, seconded by LaMarr Franklin, to accept the Department's findings and close 99 APP 038, for insufficient evidence to meet the standard of proof required to prove that a violation occurred. Rick Vozar, case advisor, abstained. Motion carried.

**MOTION:** LaMarr Franklin moved, seconded by Patrick Buckett, to accept the Department's findings and close 99 APP 021, for insufficient evidence to meet the standard of proof required to prove that a violation occurred. Mary Reavey, case advisor, abstained. Motion carried.

## **ADJOURNMENT**

**MOTION:** LaMarr Franklin moved, seconded by Mary Reavey to adjourn the meeting at 1:15 p.m. Motion carried unanimously.

**Next Meeting**  
**August 22, 2001**